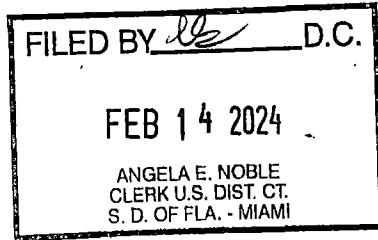


**SEALED**

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RELATOR LLC



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**UNITED STATES OF AMERICA,**

Plaintiff,

*ex rel.* **RELATOR LLC**, a California  
limited liability company,

Relator,

v.

**MATTHEW BROWN**, an individual;  
**BARRY BROWN**, an individual; and  
**TEE OFF TEMPS, INC.**, a Florida  
Corporation, and DOES 1-10,

Defendants.

Case No.

**COMPLAINT FOR VIOLATIONS  
OF FEDERAL FALSE CLAIMS  
ACT**

**FILED *IN CAMERA* UNDER SEAL  
PURSUANT TO 31 U.S.C. §  
3730(b)(2)**

**DO NOT PLACE ON PACER**

**JURY TRIAL DEMANDED**

1 Plaintiff RELATOR LLC ("Plaintiff") complains of **MATTHEW BROWN**,  
 2 an individual, **BARRY BROWN**, an individual, **TEE OFF TEMPS, INC**  
 3 ("TEE"), a Florida Corporation, and DOES 1-10.

#### 4 JURISDICTION & VENUE

5 1. This Court has subject matter jurisdiction over the Plaintiff's claims  
 6 brought under the FCA, 31 U.S.C. §§ 3279, et seq., pursuant to 31 U.S.C. §§ 3730  
 7 and 3732. This Court has supplemental jurisdiction to entertain the common law  
 8 and equitable causes of action under 28 U.S.C. § 1367(a).

9 2. Plaintiff The United States of America is also located in the Southern  
 10 District of Florida. This Court has personal jurisdiction over Defendants pursuant to  
 11 31 U.S.C. § 3732(a) because at all times material hereto, Defendants transacted  
 12 business and are located in the Southern District of Florida, and acts proscribed by  
 13 31 U.S.C. § 3729 occurred in this district.<sup>1</sup>

14 3. Venue is proper in this district pursuant to 31 U.S.C. § 3732(a), and  
 15 under 28 U.S.C. §§ 1391(b) and 1395(a), because the Defendant's acts that form the  
 16 basis of this Complaint occurred in the Southern District of Florida.

17 4. Relator's claims and this Complaint are not based upon prior public  
 18 disclosures of allegations or transactions in a federal criminal, civil, or  
 19 administrative hearing in which the Government or its agent is a party; in a  
 20 congressional, Government Accountability Office, or other federal report, hearing,  
 21 audit, or investigation; or from the news media. To the extent that there has been a  
 22 public disclosure unknown to Relator, it is the "original source" within the meaning  
 23 of 31 U.S.C. § 3730(e)(4)(B) and/or the public disclosure is a result of Relator  
 24 voluntarily providing this information to the United States Government prior to  
 25 filing this *qui tam* action.

26  
 27 <sup>1</sup> TEE operates throughout Florida, and has its headquarters in Stuart, Florida, in the  
 28 Southern District of Florida.

## INTRODUCTION AND SUMMARY

5. In this matter the founders and executives of a golf course staffing agency used their golf course staffing business to misappropriate millions of dollars from the US Federal government's Paycheck Protection Program ("PPP"). In order to obtain the loan, the Defendants presented many falsified loan documents to the SBA. Defendants made false statements to obtain more than the amounts permitted under the program, and falsified the number of employees on payroll. Defendants did not have any economic need for the loan, they simply took advantage. Defendants had no economic need for payroll assistance, assuming the loan was used on payroll. Defendants falsified additional documents which were presented to the government to obtain total loan forgiveness, billing millions to the US taxpayer.

6. Matthew Brown and Barry Brown used their golf course staffing agency business, TEE Off Temps, Inc, to apply for and receive a PPP loan totaling **\$9,350,000.00**, purportedly to cover payroll costs. However, TEE and its owners Matthew Brown and Barry Brown:

- a. Falsified business type or industry;
- b. Falsified number of jobs;
- c. Falsified loan eligibility;
- d. Falsified the use of the loans on authorized expenses;
- e. Falsified the economic necessity for the loans; and
- f. Falsified eligibility for loan forgiveness.

7. Falsified Business Type or Industry. In their PPP loan application, the Defendants falsified the industry in which their business belongs. The Defendants reported on their application that the business operated under NAICS Code 561730, "Landscaping Services", in order to hide their industry to avoid being specifically prohibited from applying for various reasons. Examples of businesses that fall under the NAICS Code 561730, "Landscaping Services" category are "fertilizing

1 lawns, landscaping services, and lawn care services.” Clearly, Defendant’s business  
2 does not fall within this category. Rather, Defendants’ business is better classified  
3 under NAICS Code 561320 for “Temporary Help Services.” It is highly improbable  
4 that a company would not understand the type of business they are in. It is even  
5 more improbable that they would not know what industry they are in. These are  
6 among the most fundamental questions for any company. Taken by itself, the false  
7 reporting of these fundamental matters are a big misrepresentation, and no small lie.  
8 Such a major misreporting is hard to believe inadvertent or innocent and is a  
9 concerning indication of that other incorrect information is also being provided,  
10 even when taken by itself. However, taken in the context of the other information  
11 provided which has been confirmed to be dishonest, the misstatements regarding  
12 industry and business type are obviously nefarious. This type of misstatement, a  
13 fundamental one, is also evidence of a larger scheme to deceive the government. It  
14 is part of a greater deception. It is evident that the Defendants understood they were  
15 involved in fraud and orchestrated its various components deliberately. This is no  
16 small deceit, but a big plan to take a large amount of money which they knew was  
17 ill-gotten.

18       8.     Falsified Number of Jobs Reported. TEE claimed to have exactly 500  
19 employees, which is not coincidentally the maximum number of employees that a  
20 borrower could have under the PPP and CARES Act in order to qualify for a PPP  
21 loan. Pursuant to any reasonable interpretation of TEE’s employee number  
22 calculation, it is clear that TEE’s statement that it had exactly 500 employees is  
23 false. TEE falsely reported the maximum number of employees as being “500”,  
24 which just so happens to be the maximum number of employees allowed for  
25 eligibility. 500 is the limit. Beyond this 500 number lies complete ineligibility. It is  
26 an all or nothing analysis. If they had even a single more job, it would make them  
27 ineligible for a loan for any amount altogether. So, in order to cheat the maximum  
28 500 rule, they falsely reported the number of jobs as 500 exactly. As set forth

1 above, TEE's inclusion of workers that it brokered as "employees" was fraudulent,  
2 since the workers' salaries were guaranteed to be paid by the client-business. On  
3 the other hand, should TEE be permitted to count these workers as "employees"  
4 TEE would have thousands of so-called employees, which would also render its  
5 statement that it had 500 employees false, and which would also make it ineligible  
6 to receive a PPP loan. They also applied for the near maximum loan amount  
7 allowed, \$9,350,000.00. In falsely claiming they had exactly 500 employees, TEE  
8 claimed to have the maximum number of employees allowable to be eligible for a  
9 PPP loan, while maximizing the amount they could get. TEE's own LinkedIn page  
10 shows that the company has only 5 employees. Additionally, ZoomInfo shows that  
11 TEE employs less than 25 people. The defendants grossly exaggerated and falsely  
12 stated the number of employees that they had in order to maximize the amount of  
13 loan proceeds that they misappropriated from the government.

14 9. Defendants' Business Model – Double Dipping and No Economic  
15 Necessity. Staffing agencies, like TEE, are not the end user of the workers that they  
16 handle, rather they are the middle-men and brokers of such workers. A staffing  
17 agency's client is the business that needs the employees that the staffing agency  
18 brokers. Outside of a small internal administrative staff, TEE, like most other  
19 staffing agencies does not keep the workers that they broker as employees on their  
20 payroll. Rather, it is only when a client-business needs a worker that TEE steps in  
21 and brokers a temporary employment transaction. This means that every single time  
22 TEE brokers a worker in this manner, someone else (the client-business) is actually  
23 paying the worker's salary, and TEE, as the middle-man, just takes a cut of that  
24 pay. So, for every single one of the 500 employees that TEE received PPP money  
25 (outside of its very small number of internal administrative staff) this necessarily  
26 means that TEE was paid twice, once by the client-business, next by the US  
27 taxpayers. This also means that there was absolutely no economic necessity,  
28 because TEE was never obligated to pay a salary to any of these workers to

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maintain its operations, since the only way that TEE's business model requires payment to these workers is when TEE has brokered a deal for their services. Plainly put, TEE would not pay the workers not to work. If they ever worked, someone else would pay. The PPP was made to help struggling businesses which were unsure about being able to pay their workers. The second certification in the application was: "Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant." The word "necessary" is important. The SBA required that the COVID pandemic caused enough economic uncertainty such that company payroll was jeopardized. That is a distinct standard. It is not enough that there was economic uncertainty. The uncertainty must be dire enough to threaten payroll. There must be sufficient economic uncertainty, such that the company's engine room and most important asset, its people, were threatened with economic troubles. In other words, the business must be on life support. The business must have been in trouble to the point where its most important resource, its people, were not affordable any longer. The PPP was not a free excuse to raid government coffers by wealthy businessmen. TEE did not need the loans -- there was no "need" or "economic necessity" to pay Defendant's payroll expenses. TEE did not and cannot show any decline in revenue during the pandemic, much less a decline so bad it threatened worker pay. Yet Defendants falsely certified they had "economic uncertainty" so they could take financial assistance from the US taxpayer.

10. Golf Staffing Agencies: Flourishing Amidst the COVID-19 Pandemic – No Economic Necessity. It was evident from the onset of the pandemic that Golf staffing agencies, like the Defendant, would thrive financially during the pandemic, and therefore TEE could not in good faith make the Economic Necessity Certification. This was evident for a number of reasons at the onset of the pandemic, including, the clear surge in interest and participation golf courses experienced during the pandemic, demand for golf course professionals, their

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1 ability to rapidly deploy golf course professionals and scale their business, and  
2 increased rates and profitability. Golf was considered a relatively safe outdoor  
3 activity that allowed for social distancing, which appealed to individuals seeking  
4 recreational options during lockdowns or restrictions. With more people taking up  
5 golf or returning to the sport, golf courses saw an increase in rounds played and  
6 related revenues. Golf clubs reported an uptick in membership inquiries and new  
7 sign-ups during the pandemic. According to the National Golf Foundation, there  
8 were 24.8 million golfers in 2020, which is an increase of 500,000 golfers over  
9 2019. The heightened demand for tee times and golf equipment sales contributed to  
10 a demand for skilled workers to operate the courses and club houses. Golf staffing  
11 agencies, like TEE, with their vast industry knowledge knew better than others that  
12 this would be the case, and that with their vast networks of qualified professionals,  
13 they could and did quickly position themselves to meet this surge in demand. By  
14 providing the golf industry with access to a diverse pool of golf course workers,  
15 these agencies, like TEE, *immediately* became indispensable in the functionality of  
16 this popular recreational activity, thereby ensuring their financial prosperity. It was  
17 immediately clear to TEE that they had become an indispensable and much more  
18 profitable long before they submitted their PPP loan application. The operators of  
19 TEE knew that their business would benefit from the pandemic. Golf was one of the  
20 only industries in Florida that was allowed to continue to operate by the Florida  
21 state government and was not forced to close. Golf clubs received favorable  
22 treatment, which was publicly known, while at the same time the state government  
23 forced the closure of restaurants, bars, nightclubs, state parks, fitness centers boat  
24 ramps etc. The ability of TEE to rapidly deploy personnel was a key factor in its  
25 financial triumph during the pandemic. With streamlined recruitment processes and  
26 an extensive database of qualified professionals, TEE could promptly fill staffing  
27 gaps in golf course facilities. Whether it was the temporary deployment of  
28 landscaping technicians to overwhelmed golf courses or the recruitment of lawn



1 maintenance professionals on a year-round basis, golf course staffing agencies, like  
2 TEE, obtained a windfall in exploiting the demand for golf course maintenance.  
3 This swift and efficient deployment model allowed them to attract more contracts  
4 and generate substantial revenues throughout the pandemic. The surge in demand  
5 for golf course personnel during the COVID-19 crisis gave rise to increased rates  
6 for these services. Plaintiff is informed and believes that golf course staffing  
7 agencies, like TEE, capitalized on this opportunity by negotiating higher  
8 compensation rates for their golf course professionals. Moreover, with the need for  
9 specialized staff reaching critical levels, agencies could charge premium rates for  
10 scarce specialties, further boosting their profitability. The combination of  
11 heightened demand, increased rates, and efficient deployment strategies resulted in  
12 substantial financial gains for golf course staffing agencies, like TEE. The success  
13 of golf course staffing agencies, like TEE, during the COVID-19 pandemic was  
14 both predictable and impressive.

15 11. Falsified Use of Loan Proceeds on Authorized Expenses. On its  
16 application, TEE claimed that 100% of the loan proceeds would be used for  
17 salaries. TEE claimed to have 500 employees, when, in truth, only a small number  
18 of those 500 employees were internal administrative staff, and the vast majority of  
19 the rest, were workers that TEE brokered to end user, client businesses. Therefore,  
20 when TEE certified that the PPP loan proceeds would be used for the salaries of  
21 such workers, that certification was false. Specifically, those workers' salaries were  
22 being paid by end user, business-clients of TEE and TEE simply used the PPP  
23 proceeds to increase its profits.

24 12. Money Not Returned. The loan was taken by a business which was not  
25 allowed to take even one penny in loans, let alone millions of dollars. The  
26 **\$9,350,000.00** in funds should have been returned immediately. These loans should  
27 never have been sought in the first place. Yet the Defendants went further by  
28 obtaining total loan forgiveness, billing the US taxpayers millions of dollars.



1 *Defendants have not returned the loan proceeds.*

2 13. Further Falsification on Loan Forgiveness. Defendants falsified  
3 further documents to receive loan forgiveness. Defendants had to attest as to the use  
4 of the funds and the amount used on authorized purposes. They were not because  
5 Defendants could not comply with the requirements of forgiveness given their  
6 ineligibility, exorbitant amounts borrowed and false statements regarding numbers  
7 of employees. So, Defendants also lied on their forgiveness documents and  
8 application.

9 14. Defendant's False Statements and Fraud. Defendants knowingly and  
10 intentionally made many materially false statements to the government and bank to  
11 obtain the loans.

12 15. Plaintiff brings this action as relator on behalf of the United States to  
13 recover treble damages, civil penalties, and costs under the False Claims Act  
14 ("FCA"), 31 U.S.C. §§ 3729-33 Plaintiff gave notice of its intent to file and full  
15 disclosure of the evidentiary basis to the Department of Justice ("DOJ").

## 16 **THE PARTIES**

17 16. Plaintiff is a California limited liability company with its principal  
18 place of business in Los Angeles, California.

19 17. Defendant Matthew Brown is an individual and, at all relevant times  
20 herein, is and was a Founder and President of TEE.

21 18. Defendant Barry Brown is an individual and, at all relevant times  
22 herein, is and was a Founder and Vice President of TEE.

23 19. Defendant TEE Off Temps, Inc is a Florida Corporation formed in  
24 1999 with its principal place of business located at 3180 SE Slater St., Stuart,  
25 Florida 34997.

26 20. The true names and capacities, whether individual, partner, associate,  
27 corporate or otherwise, of Defendant DOES 1 through 10, inclusive, and each of  
28 them, are unknown to Plaintiff, who therefore sues said Defendant(s) by such

1 fictitious names. Plaintiff is informed and believes and thereon alleges that each  
 2 Defendant designated herein as a "DOE" is legally responsible in some manner for  
 3 the events and happenings herein mentioned. Plaintiff will seek leave of Court to  
 4 amend this Complaint to reflect the true names and capacities of said DOES, and  
 5 add appropriate charging allegations against said DOES when their identities have  
 6 been ascertained. Plaintiff is informed and believes that each of the DOE  
 7 Defendants were responsible in some manner for the injuries and damages alleged  
 8 herein, and/or for the wrongful acts of some or all of the Defendants.

9 21. Plaintiff is further informed and believes that each of the Defendants,  
 10 whether specifically named or named as a DOE, was an agent, employee, servant  
 11 and/or representative of each of the remaining Defendants, and, in doing or failing  
 12 to do the things alleged herein, was acting within the course and scope of said  
 13 agency, employment, service and/or representation.

14 22. Plaintiff is further informed and believes that each of the Defendants,  
 15 whether specifically named herein or named as a DOE, approved, ratified and/or  
 16 acquiesced in the acts and omissions of each of the remaining Defendants.

17 23. Plaintiff is further informed and believes that each of the Defendants  
 18 herein, whether named as DOES or otherwise, acted in concert, agreement and  
 19 conspiracy with the other Defendants for the common purpose of engaging in a  
 20 scheme to defraud as alleged below.

#### 21 **THE CARES ACT AND PAYCHECK PROTECTION PROGRAM**

22 24. On March 27, 2020, the Coronavirus Aid, Relief, and Economic  
 23 Security Act ("the CARES Act" or "the Act") (Pub. L. 116-136) became law and  
 24 provided emergency assistance and health care response for eligible individuals,  
 25 families, and businesses affected by the coronavirus pandemic. SBA received  
 26 funding and authority through the Act to modify existing loan programs and  
 27 establish a new loan program to assist small businesses nationwide adversely  
 28 impacted by the COVID-19 emergency.

1        25. The CARES Act authorized loans to eligible small businesses  
2 struggling to pay employees and stay in business as a result of the devastating effect  
3 of the COVID-19 pandemic and resulting restrictions.

4        26. Section 1102 of the CARES Act temporarily permitted the SBA to  
5 guarantee 100 percent of 7(a) loans under a new program titled the “Paycheck  
6 Protection Program” (“PPP”).

7        27. On April 24, 2020, the Paycheck Protection Program and Health Care  
8 Enhancement Act (Pub. L. 116-139) was enacted to provide additional funding and  
9 authority for the PPP. On June 5, 2020, the PPP Flexibility Act of 2020 (Flexibility  
10 Act) (Pub. L. 116-142) was enacted, changing key provisions of the PPP, including  
11 provisions relating to the maturity of PPP loans, the deferral of PPP loan payments,  
12 and the forgiveness of PPP loans.

13        28. Under the PPP, in 2020, eligible businesses could obtain one SBA  
14 guaranteed PPP loan. Businesses were required to spend all loan proceeds only for  
15 employee compensation, rent or mortgage, and certain other specified expenses.  
16 Depending on their use of the loan proceeds as certified, they could qualify for loan  
17 forgiveness, up to the full amount of the loan.

18        29. The SBA delegated authority to third-party lenders to underwrite and  
19 approve the PPP loans. In order to obtain a PPP loan, whether a “First Draw” or  
20 “Second Draw” loan, an eligible business (through its authorized representative)  
21 had to sign and submit a PPP loan application (SBA Form 2483) online through the  
22 lender’s platform. The PPP loan application (SBA Form 2483) required the  
23 business (through its representative) to acknowledge the PPP program rules and  
24 make certain certifications in order to be eligible to obtain the PPP loan, including  
25 certifying that their certifications were true.

26        30. Once the Borrower submitted its PPP loan application (SBA Form  
27 2483) to a Lender, the participating lender processed the PPP loan application. If a  
28 PPP loan application (SBA Form 2483) was approved by the lender, it funded the

1 PPP loan with its own funds, which were 100% guaranteed by the SBA.

2 31. After the Lender processed and approved a borrower's PPP loan  
 3 application (Form 2483), but prior to the closing of the PPP loan, the Lender  
 4 submitted to the SBA, the Lender's Application - Paycheck Protection Program  
 5 Loan Guaranty (SBA Form 2484) to the SBA applying for a guarantee on the loan.  
 6 For a PPP loan to be approved, the Lender was required to Answer Yes to the  
 7 following questions in the Lender's Application - Paycheck Protection Program  
 8  
 9 Loan Guaranty (SBA Form 2484) as to the Borrower's certification of its General  
 10 Eligibility to receive a PPP Loan:

11 • 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26	The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))).	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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27 SBA Form 2484 (emphasis added). Therefore, if a PPP borrower lied on its  
 28 PPP loan application (SBA Form 2483), the PPP borrower's false certification

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1 caused the Lender to submit to the SBA with respect to that PPP Loan, a Lender's  
 2 Application - Paycheck Protection Program Loan Guaranty (SBA Form 2484) that  
 3 contained the PPP borrower's False Statement.

4 32. SBA Form 2483 includes the following certification, among others: "I  
 5 have read the statements included in this form, including the Statements Required  
 6 by Law and Executive Orders, and I understand them" (the "Understanding  
 7 Certification").

8 33. SBA Form 2483 also includes the following certification, among  
 9 others: "The Applicant is eligible to receive a loan under the rules in effect at the  
 10 time this application is submitted that have been issued by the Small Business  
 11 Administration (SBA) implementing the Paycheck Protection Program under  
 12 Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act  
 13 (CARES Act) (the Paycheck Protection Program Rule)" (the "Eligibility  
 14 Certification").

15 34. SBA Form 2483 also includes the following certification, among  
 16 others: "The Applicant (1) is an independent contractor, eligible self-employed  
 17 individual, or sole proprietor or (2) employs no more than the greater of 500 or  
 18 employees or, if applicable, the size standard in number of employees established  
 19 by the SBA in 13 C.F.R. 121.201 for the Applicant's industry" (the "Size  
 20 Certification").

21 35. SBA Form 2483 also includes the following certification, among  
 22 others "All SBA loan proceeds will be used only for business-related purposes as  
 23 specified in the loan application and consistent with the Paycheck Protection  
 24 Program Rule" (the "Use of Proceeds Certification").

25 36. SBA Form 2483 also includes the following certification, among  
 26 others: "Current economic uncertainty makes this loan request necessary to support  
 27 the ongoing operations of the Applicant" (the "Economic Necessity Certification").

28 37. SBA Form 2483 also includes the following certification, among

1 others: "The funds will be used to retain workers and maintain payroll or make  
2 mortgage interest payments, lease payments, and utility payments, as specified  
3 under the Paycheck Protection Program Rule; I understand that if the funds are  
4 knowingly used for unauthorized purposes, the federal government may hold me  
5 legally liable, such as for charges of fraud" (the "Worker Retention and Payroll  
6 Certification").

7 38. SBA Form 2483 also includes the following certification, among  
8 others: "During the period beginning on February 15, 2020 and ending on  
9 December 31, 2020, the Applicant has not and will not receive another loan under  
10 the Paycheck Protection Program" (the "Single Loan Certification").

11 39. SBA Form 2483 also includes the following certification, among  
12 others: "I further certify that the information provided in this application and the  
13 information provided in all supporting documents and forms is true and accurate in  
14 all material respects. I understand that knowingly making a false statement to obtain  
15 a guaranteed loan from SBA is punishable under the law, including under 18 USC  
16 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to  
17 \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a  
18 fine of not more than \$5,000; and, if submitted to a federally insured institution,  
19 under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of  
20 not more than \$1,000,000" (the "No False Statements Certification").

21 40. After the borrower submitted a PPP loan application, it was processed  
22 by the participating lender. If the PPP loan application was approved, the  
23 participating lender funded the loan using its own monies, which were then  
24 guaranteed by the SBA. Generally, in the event the borrower defaulted on a PPP  
25 loan, the SBA would purchase the borrower's debt from the lender and be  
26 responsible for its repayment.

27 41. Under applicable SBA rules and guidance, recipients of PPP loans  
28 could apply to have principal and interest on the PPP loan fully forgiven, meaning



1 that the borrower would owe nothing and would have no obligation to repay the  
 2 PPP loan. To obtain full forgiveness of the PPP loan, borrowers had to attest that  
 3 they had “not reduced the number of employees or the average paid hours of [their]  
 4 employees” during the loan period, that the loan proceeds had been spent on payroll  
 5 costs and other permitted expenses and that at least 60% of the loan proceeds had  
 6 been spent on payroll costs (hereafter the “Loan Forgiveness Certification”).

7 42. Loans could only be used for certain permitted expenses, such as to  
 8 pay employees’ salaries, employee benefits, mortgage interest, rent, utilities or  
 9 worker protection costs related to COVID19.

10 43. More specifically, the loan forgiveness application (SBA Form 3508),  
 11 revised as of July 30, 2021, included the following certifications, among others:

12 (1) The dollar amount for which forgiveness is requested:

- 13 ■ was used to pay costs that are eligible for forgiveness (payroll  
 14 costs to retain employees; business mortgage interest payments;  
 15 business rent or lease payments; or business utility payments);
- 16 ■ includes all applicable reductions due to decreases in the number  
 17 of full-time equivalent employees and salary/hourly wage  
 18 reductions;
- 19 ■ includes payroll costs equal to at least 60% of the forgiveness  
 20 amount;
- 21 ■ if a 24-week Covered Period applies, does not exceed 2.5  
 22 months’ worth of 2019 compensation for any owner-employee  
 23 or self-employed individual/general partner, capped at \$20,833  
 24 per individual; and
- 25 ■ if the Borrower has elected an 8-week Covered Period, does not  
 26 exceed 8 weeks’ worth of 2019 compensation for any owner-  
 27 employee or self-employed individual/general partner, capped at  
 28 \$15,385 per individual.

(2) I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.

(3) The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.

(4) The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application.

### DEFENDANTS' FRAUD

44. During round 1 of the PPP, Defendant TEE applied for a PPP loan for **\$9,350,000.00**. It was approved on April 29, 2020, by the SBA for the full amount, which was disbursed. The loan was facilitated by Sterling National Bank. Defendant received 100% of the approved amount. On its application for this loan, Defendant stated that it had exactly 500 employees for which it needed the loan. This loan was forgiven on July 29, 2021.

45. As a golf course staffing agency, TEE serves as a middleman between workers seeking part-time employment and businesses that need part-time employees. When TEE places a worker at a business, the business then pays the worker's wages directly to TEE, who then takes a cut of that pay and then pays the worker. TEE only has a small, internal administrative staff of recruiters and placement agents who are on their payroll (the "Payroll Staff"). TEE does not have any payment or employment obligation to the vast number of other workers on TEE's roster who are not part of the Payroll Staff, and is only ever obligated to pay these other workers when they have been placed at a client business. When these non-Payroll Staff are placed at a client business, the client business pays these workers' wages. In other words, TEE is only required to pay these non-Payroll

1 Staff workers when someone else is paying them.

2 46. Matthew Brown and Barry Brown who founded TEE in 1999 new  
3 their business model well when they applied for the PPP Loan. They knew that if  
4 they took a PPP loan for non-Payroll Staff that they would be paid twice for each  
5 such employee, once from the client business and once from the PPP proceeds. The  
6 Browns knew that they would be double-dipping each and every time and that the  
7 proceeds of the PPP loan would only be used to pad their profits. They knew that  
8 they were under no obligation to pay most of their employees, and certainly none of  
9 their non-Payroll Staff. They knew that because of this double-dipping business  
10 model and the low overhead created by a lack of obligation to pay non-Payroll Staff  
11 that there was no economic necessity for the business to sustain TEE's operations.  
12 They understood that the proceeds of the PPP loan would simply just pad their  
13 profits. Therefore, when Defendants made the Economic Necessity Certification,  
14 the certification was false.

15 47. Matthew Brown and Barry Brown, as veterans of the golf course  
16 staffing agency industry, knew that the COVID-19 pandemic presented a unique  
17 opportunity for TEE to make much more money than in the absence of the  
18 pandemic. As industry veterans they knew that TEE would experience an economic  
19 boon during a health crisis necessitating social distancing. The Browns, like most  
20 residents of Florida, knew that the State of Florida allowed golf courses to remain  
21 open, even though the State of Florida forced many other businesses, like  
22 restaurants, gyms and bars, to shut down during the pandemic. As the beneficiaries  
23 of an industry that obtained significant favorable treatment and boomed during the  
24 pandemic, the Browns knew that the Economic Necessity Certification was false  
25 when they made it.

26 48. Matthew Brown and Barry Brown also knew when they claimed that  
27 they had 500 employees that such a statement was false. First, TEE did not have  
28 exactly 500 employees, and TEE inflated its numbers to include non-Payroll Staff

1 and therefore to double-dip and pad corporate profits with PPP proceeds.

2 49. In addition to applying any applicable business type ineligibility rules,  
3 all borrowers should carefully review the required Economic Necessity  
4 Certification on the Borrower Application Form stating that “[c]urrent economic  
5 uncertainty makes this loan request necessary to support the ongoing operations of  
6 the Applicant.”

7 50. TEE abused the PPP program, from misrepresenting its economic need  
8 for the loan to willfully ignoring its ineligibility, to maximizing the amount of the  
9 loan and then obtaining loan forgiveness. Discovery will reveal where the millions  
10 in PPP funds were actually spent, but what is obvious is that Defendants did not  
11 need any money from US taxpayers. The business model necessarily meant that  
12 TEE would be paid by others for people it employed and therefore did not need  
13 money from US taxpayer to pad its profits. TEE is and was highly profitable during  
14 the pandemic, just like most in their industry. TEE did not suffer any business loss  
15 and certainly had the money to pay their own worker wages.

16 51. Defendants signed the loan applications, thereby endorsing the  
17 Understanding Certification, which means that they agreed that they understood the  
18 rules and guidelines of the PPP, including, without limitation the rules regarding  
19 use of proceeds and the certifications made.

20 52. The proceeds of the PPP Loans were not and could not have been used  
21 only for authorized purposes consistent with the PPP Rule, because, among other  
22 things, the Defendants were obviously not allowed to take PPP loans, in the amount  
23 received, because of their size and double-dipping business model. Therefore, when  
24 Defendants made the Use of Proceeds Certification, the certification was false.

25 53. The PPP loan money was only allowed to be used on authorized  
26 expenses. The proceeds of the PPP Loan were not needed to retain workers and  
27 maintain payroll for non-Payroll Staff who were necessarily being paid by TEE’s  
28 client businesses, therefore when Defendant made the Worker Retention and

1 Payroll Certification, the certification was false.

2 54. By virtue of the above false statements, when Defendants made the No  
3 False Statements Certification, that certification was false.

4 55. The Defendants actively pursued and obtained loan forgiveness.  
5 Because TEE is prohibited from obtaining any PPP loans, its representation on its  
6 forgiveness application that it spent 100% of the loan proceeds on eligible expenses  
7 was not truthful. The SBA would not have forgiven the loans if they knew  
8 Defendants' certifications described above were false. They also would not have  
9 forgiven the loans if they knew the proceeds had been used to increase profits  
10 instead of paying their employees.

11 56. As a result of the forgiveness, Defendants have not repaid the loan and  
12 have kept the proceeds, and the loan has been repaid with money from taxpayers,  
13 including the small businesses and owners who were supposed to receive the PPP  
14 funds instead of repaying a profitable golf course staffing company's loan that it  
15 never should have received, let alone had forgiven.

#### 16 **THE FALSE CLAIMS ACT**

17 57. The False Claims Act prohibits fraudulent conduct in connection with  
18 federal programs, including the knowing submission of false claims for payment to  
19 the government. See 31 U.S.C. § 3729(a)(1)(A). In these circumstances, liability  
20 may attach if the omission renders those representations misleading. 41. 31 U.S.C.  
21 § 3729(a)(1)(A) and (B) of the FCA provide that:

22 (1) . . . any person who—

23 (A) knowingly presents, or causes to be presented, a false or fraudulent  
24 claim for payment or approval; [or]

25 (B) knowingly makes, uses, or causes to be made or used, a false  
26 record or statement material to a false or fraudulent claim,

27 . . .

28 (G) knowingly makes, uses, or causes to be made or used, a false

1 record or statement material to an obligation to pay or transmit money or property  
 2 to the Government, or knowingly conceals or knowingly and improperly avoids or  
 3 decreases an obligation to pay or transmit money or property to the Government, is  
 4 liable to the United States Government . . .

5 31 U.S.C. § 3729(a)(1)(A), (B), and (G) (2020).

6 42. The scope of a false or fraudulent claim is to be broadly construed.  
 7 As used in the FCA, a “claim”

8 (A) means any request or demand, whether under a contract or  
 9 otherwise, for money or property and whether or not the United States has title to  
 10 the money or property, that—

11 (i) is presented to an officer, employee, or agent of the United States;  
 12 or

13 (ii) is made to a contractor, grantee, or other recipient, if the money or  
 14 property is to be spent or used on the Government’s behalf or to advance a  
 15 Government program or interest, and if the United States Government—

16 (I) provides or has provided any portion of the money or property  
 17 requested or demanded; or

18 (II) will reimburse such contractor, grantee, or other recipient for any  
 19 portion of the money or property which is requested or demanded; . . .

20 31 U.S.C. § 3729(b)(2) (2020).

21 58. A person who violates the False Claims Act during the time period at  
 22 issue “is liable for a civil penalty as adjusted, plus 3 times the amount of damages  
 23 which the United States Government sustains because of the act of that person.” 31  
 24 U.S.C. § 3729(a). See 28 C.F.R. § 85.3(a)(9); Department of Justice, 28 CFR Part  
 25 85, Civil Monetary Penalties Inflation Adjustments for 2022 published at:  
 26 [https://www.govinfo.gov/content/pkg/FR-2022-05-09/COMMERCE/2022-](https://www.govinfo.gov/content/pkg/FR-2022-05-09/COMMERCE/2022-09928.COMMERCE)  
 27 [09928.COMMERCE](https://www.govinfo.gov/content/pkg/FR-2022-05-09/COMMERCE/2022-09928.COMMERCE).

## 28 FIRST CAUSE OF ACTION



**FALSE OR FRAUDULENT CLAIMS (31 U.S.C. § 3729(a)(1)(A-B))**

59. Plaintiff alleges and incorporates by reference each and every allegation contained in all prior paragraphs of this complaint.

60. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, et seq., as amended.

61. By virtue of the acts described above, Defendants knowingly presented, or caused to be presented, to an officer or employee of the United States government, false or fraudulent claims for payment or approval, in violation of the FCA, 31 U.S.C. § 3729(a)(1)(A). Specifically, each of Defendants' Economic Necessity, No False Statements, Eligibility, Use of Proceeds, Understanding, Worker Retention and Payroll Certifications described above all were knowingly false, and relied upon by lenders and the SBA in approving the PPP Loans. Their request for forgiveness contained a further misrepresentation that the loans had been used only for authorized purposes.

62. By virtue of the acts described above, Defendants knowingly made or used, or caused to be made or used, false or fraudulent records or statements material to false or fraudulent claims for payment by the Government.

63. The Government and its agents and contractors relied on those false statements in approving and making the loans and subsequently forgiving them, leaving the burden of repayment on taxpayers.

64. Because of the Defendants' acts, the United States sustained damages in an amount to be determined at trial and, therefore, is entitled to treble damages under the FCA, plus civil penalties of not less than \$12,537.00 and not more than \$25,076.00 for each and every violation arising from Defendants' unlawful conduct alleged herein, and attorneys' fees in an amount to be proven.

**CONCLUSION**

65. Matthew Brown, Barry Brown, and their company abused the PPP. The PPP was meant for struggling businesses. Now that program is dry. The American people have a right to reconciliation.

**PRAYER FOR RELIEF**

WHEREFORE, qui tam Plaintiff/Relator prays for judgment against Defendants, as follows:

1. That this Court enter judgment against each Defendant in an amount equal to three times the damages that the United States has sustained because of Defendants' action, plus a civil penalty of not less than \$12,537.00 and not more than \$25,076.00 for each and every false claim as are required by law, together with all such further relief as may be just and proper.

2. Such other relief as this Court may deem just and proper, together with interest and costs of this action.

3. Reasonable attorney fees, litigation expenses, and costs of suit.

**JURY DEMAND**

Plaintiff demands a trial by jury on all issues so triable.

Dated: February 12, 2024

LAW OFFICES OF WILLIAM R. BARZEE, P.A.

By: 

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